

PUBLIC WORKS AND UTILITIES COMMITTEE

12-0423R

RESOLUTION AMENDING RESOLUTION NO. 12-0264 INCREASING
THE NUMBER OF AUTHORIZED AUDITS TO 800 AND INCREASING
THE FUNDING THEREFORE BY AN ADDITIONAL \$40,000.

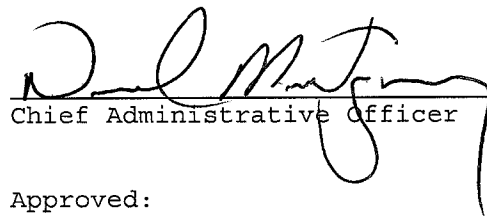
CITY PROPOSAL:

RESOLVED, that city council resolution no. 12-0264 authorizing advanced home energy audits under the advance home energy audit program is hereby amended by increasing the number of audits authorized under the program from 600 to 800 and by increasing the authorized cost thereof from \$120,000 to \$160,000, the increased amount to be payable from Fund No. 555-500-5441 (Home Energy Conservation, Public Works and Utilities).

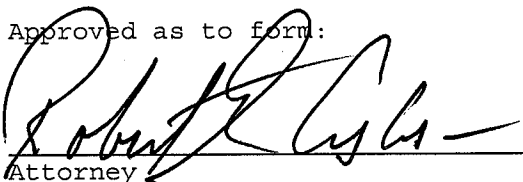
Approved:


Department Director


Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

PW&U/ATTY REA:dma 08/10/2012

STATEMENT OF PURPOSE: The purpose of this amendment is to increase the number of audits authorized from 600 up to 800 audits by July 31, 2013 and to increase the total authorized cost of audits from the currently authorized \$120,000 up to a maximum of \$160,000. As of August 6, 2012, 446 Advanced Home Energy Loan Program (AHEAP) audits have been performed and 20 audits are pending through the program. The audit results are used to qualify energy measure upgrades for ComfortSystems' residential energy conservation program, Minnesota Power's residential programs, and obtain grants from the Ordean Foundation to help low income Duluthians replace mechanical equipment damaged by the flood. In August 2012, Ecolibrium 3 was selected by the Ordean Foundation to administer distribution of the grants through the Duluth Energy Efficiency Program. Homes are required to have an AHEAP audit as a step in the process to obtain Ordean

Foundation grants. It is anticipated this requirement will generate a large number of requests for AHEAP audits. Approval of this resolution will ensure there is adequate fundings available to perform required AHEAP audits.

The AHEAP program uses the home energy audit performance contractors listed on ComfortSystems' website in partnership with Minnesota Power which shares the program costs with Duluth Public Works and Utilities. The typical cost of this audit to the customer is \$375. ComfortSystems provides the customer with a \$200 audit rebate and MN Power provides the customer with a \$100 rebate after the auditor sends the utility a copy of the audit report. Most audits identify air sealing, insulation upgrades, boiler, furnace, and water heater efficiency improvements. Customers are paying about \$75 of the audit cost.

In partnership with the Duluth Energy Efficiency Program, customers receive assistance to select contractors to implement efficiency and conservation measures after a measure has been identified. A network of trained home performance audit contractors and air sealing and insulation contractors has been established that can serve homeowners seeking air leakage services.

Audits through AHEAP are performed for residential customers limited to the budgeted funds allocated by the council each year with any projects not funded in one year eligible in the next year. Regulations of the state of Minnesota require that the City's natural gas utility expend an amount equal to one-half of one percent of its gross revenues from the gas utility on energy conservation programs. This conservation program helps the City's natural gas utility to meet the State's requirements and, if the City does not expend the entirety of the required amount, the State can require that the unused amount be given to them.